

Objectives Type Questions -

1. Theory of comparative cost is given by
 - a) Adam Smith
 - b) Ricardo
 - c) Ohlin
 - d) Keynes
2. Objective of trade policy should be:
 - a) Economic development
 - b) Expansion of Empire
 - c) Control terrorism
 - d) Speculation
3. Foreign trade results in this way for economic growth
 - a) Stops
 - b) Slows
 - c) Increases
 - d) Does not affect
4. Calculating Balance of trade we do not consider
 - a) Income of non residents
 - b) Exports
 - c) Imports
 - d) All of the above
5. The foreign trade is also called
 - a) Regional trade
 - b) International trade
 - c) External trade
 - d) Both (b) & (c)
6. Tariff means
 - a) Import duty
 - b) Transit duty
 - c) Export duty
 - d) All of these
7. Theory of free trade is given by
 - a) Ricardo
 - b) Ohlin
 - c) Mill
 - d) Adam Smith
8. Foreign trade is but a special case of inter regional trade.
 - a) True
 - b) False.
9. Which is not a quantitative trade restriction
 - a) Import quotas
 - b) Transit duty
 - c) Voluntary Export Rest points
 - d) None of these
10. Foreign trade helps in
 - a) Capital formation
 - b) Balance of payment
 - c) Technical development
 - d) All of the above
11. Volume of Foreign trade are continues increasing in India.
 - a) True
 - b) False.
12. Exports increases the Balance of payment to
 - a) Favorable
 - b) Balanced
 - c) Unfavorable
 - d) Negative
13. Causes of disequilibrium in BOP?
 - a) Increase in exports
 - b) Decrease in import
 - c) Increase in imports
 - d) All of these
14. BOT stands by
 - a) Exports - Imports
 - b) Import - Export
 - c) (a) and (b) both
 - d) None of these
15. Trade policy is
 - a) Restrictive policy
 - b) Free trade policy
 - c) Protectionist policy
 - d) All of these
16. The item of BOP
 - a) Merchandise
 - b) Import & Dividend
 - c) Services
 - d) All of these
17. The formula for adverse BOP is
 - a) Export - Imports
 - b) Imports - Exports
 - c) Exports + Imports
 - d) None of these
18. "International trade s a special case of interregional trade" This statement is given by
 - a) Adam Smith
 - b) Ohlin
 - c) J.S. Mill
 - d) Ricardo

19. Object of Protection Policy is
a) Economic
b) Political
c) Both
d) None of these
20. Objects of imports quotas are
a) To protect domestic industries
b) To connect adverse Balance of payment
c) To control import speculation
d) All of the above
21. Which of the following is not the cause of adverse in Balance of Payments?
a) Temporary change
b) Change in Exchange rate
c) Cyclical punctuation
d) Different markets
22. International trade means
a) Re export
b) Export trade
c) Re-export means
d) All of these
23. Geographical need of International trade is
a) Unequal distribution of natural resources
b) Geographical location and climate
c) Different human capacities
d) All of these
24. Favorable effects of International trade are
a) Helpful in capital formation
b) Developmental imports
c) Reduction in production cost
d) All of these
25. New govt. policy came up with a new scheme to format export?
a) ELGC
b) Make in India
c) EPC
d) DEPB
26. Causes of disequilibrium in BOP
a) Increase in exports
b) Decrease in imports
c) Increase in imports
d) None
27. Foreign trade increases
a) Exim trade
b) National Income
c) Foreign currency revenue
d) All of these
28. New Exim policy of India has a Tenure of
a) 2014-19
b) 2009-14
c) 2015-19
d) 2015-20
29. The balance of trade of a country is relation over a period, between the value of new export & value of her imports.
a) True
b) False.
30. Three Star Export house export performance is to be
a) 25 \$ Million
b) 500 \$ Million
c) 50 \$ Million
d) 100 \$ Million
31. What do you mean by SEZ?
a) Scheme special zone
b) Special economic zone
c) Scheme Economic zone
d) Special especial zone
32. DGFT Means
a) Direct general free trade
b) Directorate general foreign trade
c) Different general free trade
d) None of these
33. Economic need of foreign trade
a) Crate infrastructure
b) Fulfill the needs of masses
c) Division of labour & specialization
d) Necessary technology import
34. Any exchange of goods & service and capital across the borers and nationally is Foreign trade.
a) True
b) False.
35. Current Account of BOP includes
a) Export & Import both
b) Visible & invisible goods
c) Both a and b
d) None of these
36. Reserve Account includes?
a) Gold with RBI
b) Capital wit h RBI
c) Both a and b
d) None of these

37. What is ad valorem tariff are levied on?
a) Weight volume
b) The volume of goods
c) Certain percentage of the value of goods
d) Dumping duty
38. What are anti dumping duties
a) Normal as custom duty
b) Very low rate of duties
c) Imposed on exporter
d) Higher than the custom duties
39. GATT means
a) General Agreement Tariff & Trade
b) General Agreement Trade & Tariff
c) Great Agreement Trade & Tariff
d) None of these
40. Which these are non tariff barriers?
a) Quantity restriction
b) Protective tax
c) Forex restriction
d) None of these
41. Unfavorable BOT weakness the economy?
a) True
b) False.
42. Similarities in International & Domestic trade
a) Two parties
b) Similarities in nature
c) Division of labour & specialization
d) All these
43. Balance of Payment have limited scope?
a) True
b) False.
44. Balance of trade balanced always?
a) True
b) False.
45. Relationship between BOT & BOP is?
a) BOT is part of BOP
b) BOP is part of BOT
c) BOT is not related to BOP
d) None of these
46. Deficit Balance of trade?
a) +
b) -
c) 0
d) + or -
47. Devaluation means
a) Deliberate decrease in value of its currency
b) Deliberate increase in value of its currency
c) Both a & b
d) None of these
48. EPC is setup for?
a) Import export promotion
b) Export promotion
c) Import control
d) None of these
49. MFN is?
a) Most favored Nations
b) Most followed Nations
c) More Favored Nations
d) None of these
50. Vent of surplus
a) Extra production after the home consumption
b) Extra production for home & consumption
c) Production for export
d) Production in a particular commodity